

**Commonwealth of Kentucky  
Public Protection Cabinet**

**For Immediate Release**

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**MORGAN COUNTY EMPLOYER GUILTY OF INSURANCE FRAUD**  
***Paid over \$200,000 in fine, restitution in workers' comp case***

FRANKFORT, Ky. (Sept. 11, 2008) – A West Liberty man pleaded guilty in Morgan Circuit Court to one felony count of insurance fraud after giving false information to his workers' compensation insurance carrier.

Sidney L. Allen, 45, paid \$109,985 in court-ordered restitution to Kentucky Employers' Mutual Insurance (KEMI) and a fine of the same amount to the Kentucky Department of Insurance Fraud Investigation Division for investigative costs. Allen originally was fined \$219,970 (twice his gain) but half was diverted and payment will not be required if Allen complies with the agreement. He was sentenced to five years in prison, which also was diverted for five years. Allen cannot own nor have access to a handgun or firearm and must file an anti-fraud plan for any business entity for which he has ownership or management interest.

According to court records, Allen insured his construction company with KEMI but did not have workers' comp coverage for a logging business he also owned. The fraud was discovered when an employee was injured in a logging accident and filed a workers' comp claim with KEMI. Allen falsified documents claiming the employee worked for the construction business and was injured when he fell off a ladder.

The Department of Insurance is an agency of the Public Protection Cabinet.